

WASHINGTON STATE DEPARTMENT OF REVENUE



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**Idaho Vehicle Dealer Charged with Felony Sales Tax Theft**

**SPOKANE**, Wash., October 9, 2002— Multiple felony theft charges have been filed against an Idaho vehicle dealer who allegedly was part of a ring that imported cars from Canada and resold them in the Spokane area with rolled-back odometers.

The Washington State Attorney General's Office charged Milton J. Friedley, III with stealing more than \$63,000 in sales taxes that he had collected on nearly 50 vehicles but never remitted to the Washington State Department of Revenue as required by law. He also was charged with filing false and fraudulent state combined excise tax returns that substantially understated his income. Friedley used a false business registration number on Washington State Department of Licensing reports as part of his attempt to evade his sales tax obligations.

The charges are related to a federal fraud investigation that concluded with an indictment returned by a Grand Jury in Spokane today. The U.S. Attorney's Office in Spokane coordinated the federal investigation.

According to the state's charging papers, Friedley 55, owner of Westridge Leasing Corporation of Couer d' Alene, Idaho, sold the vehicles to Washington residents from 2000 through 2002, even though he didn't possess the required Washington State vehicle dealers license.

The instrumentation panels on the vehicles Friedley sold in Washington and Idaho were converted from kilometers to miles, and in the process the odometers on some or all of the vehicles were rolled back by as much as 50,000 miles. Most of the more than 120 vehicles were "high-

end” trucks and sports utility vehicles, and rolling back the mileage allowed the organization to receive a higher than normal profit from the sale.

Friedley's alleged role within the organization was to facilitate the sale of the imported vehicles both in Idaho and Washington. The Washington State sales tax charged and collected by Friedley was never remitted to the Department of Revenue.

The felony charges each carry a maximum penalty of ten years in jail and a \$20,000 fine, plus costs, restitution and assessments. Investigators with the Department of Licensing also participated in the joint investigation of state charges.

Friedley is scheduled to be arraigned before Superior Court Judge Tari S. Eitzen on Monday, October 14.

The Financial Crimes Unit of the Attorney General's Office handled the case for the Department of Revenue. Its principal investigator is Darryl Roosendaal, (206) 464-6430.

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